

In partnership with



## Appendix A

# Herefordshire Council

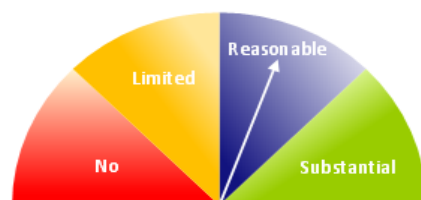
## Internal Audit Annual Opinion Report 2022/23

Internal Audit ■ Risk ■ Special Investigations ■ Consultancy

Unrestricted

## Internal Audit Annual Opinion – 2022/23: ‘At a Glance’

### Annual Opinion



There is generally a sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives.

### The Headlines

	47 reviews were delivered as part of the 2022/23 rolling Internal Audit Plan. The work includes assurance, special investigation, advisory and follow up reviews. 80% of internal audit reports gave a substantial or reasonable assurance opinion.
	There were no areas of corporate high risk, but there were areas of significant concern about: <ul style="list-style-type: none"> <li>Financial Control – Commitments and Payment Processes</li> <li>Grant Administration</li> <li>Oversight of some external and internal regulators actions</li> </ul>
	There has been sufficient audit coverage across areas of key risk to allow internal audit to make an informed annual opinion.
	Assurance for the internal audit opinion was taken from consideration of the work of other Assurance Providers, the follow up process, the work of the Counter Fraud Team and Risk Management. Mitigating actions were generally implemented, but improvements should be made to resolve long-standing agreed actions.
	Completion of a baseline assessment for the maturity of fraud. fraud risk assessment and alignment with internal audit work allows the Council to identify their current position, and structure plans to improve fraud prevention, detection and investigation.

### Internal Audit Assurance Opinions 2022/23

Substantial	3
Reasonable (inc. Grant Certifications)	21
Limited	6
No Assurance	0
Other (inc. advisory, special investigations & follow ups)	17

### Internal Audit Agreed Actions 2022/23

Priority 1	3
Priority 2	53
Priority 3	44
<b>Total</b>	<b>100</b>

## Executive Summary

**Internal Audit provides an independent and objective opinion on the effectiveness of the Authority's risk management, control and governance processes.**

**The Internal Audit Charter, which is reviewed annually by this Committee, guides the work of Internal Audit and is based around the existing International Professional Practices Framework (IPPF).**



### Purpose

The Head of Internal Audit (SWAP Assistant Director) should provide a written annual report to those charged with governance to support the Authority's Annual Governance Statement (AGS). This report should include the following:

- An opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and internal control environment.
- The potential for the occurrence of fraud and how the organisation manages fraud risk.
- Disclose any qualifications to that opinion, together with the reasons for the qualification.
- Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies.
- Draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement.
- Provide the opportunity to review the work undertaken during the year, and summarise the performance of the Internal Audit function against its performance measures, criteria and standards; and
- Comment on compliance with these standards and communicate the results of the internal audit quality assurance programme.

The purpose of this report is to satisfy this requirement and Members are asked to note its content and the Annual Internal Audit Opinion given.



### Background

The Internal Audit service for Herefordshire Council is provided by SWAP Internal Audit Services. The team's work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. The work of the team is guided by the Internal Audit Charter which is reviewed annually.

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. This report summarises the activity of the Internal Audit team for the 2022/23 year.

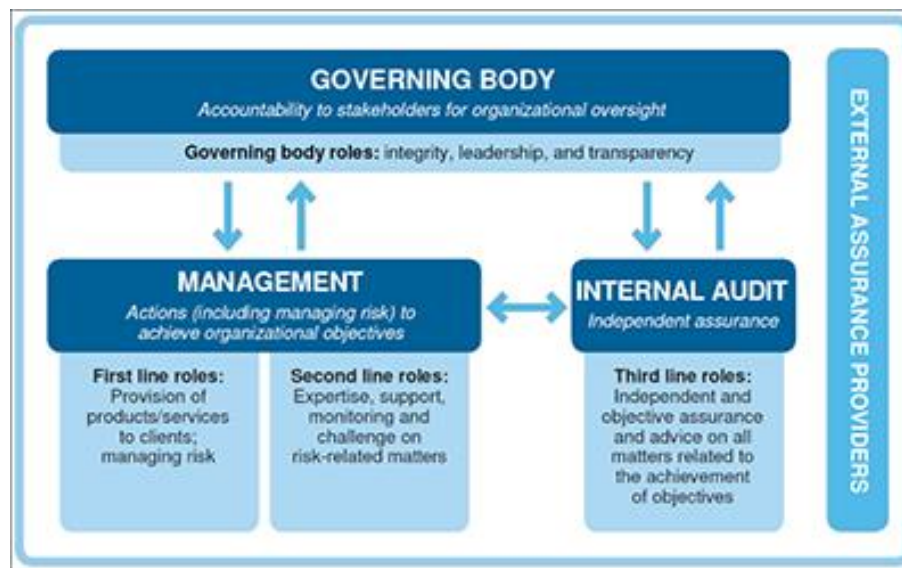
## Executive Summary

Across the next year the Institute of Internal Auditors (IIA) is planning a significant change to the current International Professional Practices Framework (IPPF) which will ultimately be known as The Global Internal Audit Standards.

SWAP is contributing to the consultation on the proposed new Global Internal Audit Standards. As such SWAP will be reviewing the Charter as further information becomes available from the IIA and will bring a revised charter to the Committee.

In the meantime, we will continue to operate in accordance with our existing charter.

The position of Internal Audit within an organisation's governance framework is best summarised in the Three Lines model shown below.



### Three Lines Model

To ensure the effectiveness of an organisation's risk management framework, the Audit and Governance Committee and senior management need to be able to rely on adequate line functions – including monitoring and assurance functions – within the organisation.

The 'Three Lines' model is a way of explaining the relationship between these functions and as a guide to how responsibilities should be divided:

- the first line – functions that own and manage risk.
- the second line – functions that oversee or specialise in risk management, compliance.
- the third line – functions that provide independent assurance.

## Summary of Audit Work 2020/21



### Annual Opinion

The Head of Internal Audit (SWAP Assistant Director) is required to provide an opinion to support the Annual Governance Statement and to comply with the Public Sector Internal Audit Standards.

Internal Audit has not reviewed all risks and assurances relating to Powys County Council and cannot provide absolute assurance on the internal control environment. Senior Management and Members are ultimately responsible for ensuring an effective system of internal control. Internal Audit Coverage is considered adequate to provide an overall opinion.

On the balance of our 2022/23 audit work for Herefordshire Council, enhanced by the work of external agencies, I am able to offer a **Reasonable Assurance** opinion in respect of the areas reviewed during the year.

The Annual Opinion is made based on the following sources of information:

- Completed audits (during the year 2022/23) which evaluate risk exposures (including new and emerging risks) relating to the organisation's governance, operations and information systems, reliability and integrity of information, efficiency and effectiveness of operations and programmes, safeguarding of assets and compliance with laws and regulations.
- Observations from consultancy/advisory support.
- Follow up of previous audit activity, including agreed actions.
- Significant/material risk where management has not accepted the need for mitigating action.
- Notable changes to the organisation's strategy, objectives, processes or IT infrastructure.
- Assurances from other providers, including third parties, regulator reports etc.

The following are considered key pieces of audit work that support the annual opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and control:

- Key Financial Controls
- Grant Certification Assurance Work
- Special investigations
- Technology Framework Reviews
- Baseline Assessment for the Maturity of Fraud and a Fraud Risk Assessment

## Executive Summary



### Annual Opinion- Control Theme

Part of the audit opinion must be based on the outcomes and concerns identified from the annual body of work.

Most areas reviewed were found to be adequately controlled and whilst there were some concerns regarding certain aspects of the control environment, there were no areas of significant corporate risk reported to the committee during the year in question.

The main themes of control weakness for 2022/23 were:

- Financial Control – Commitments and Payment Processes in Services
- Grant Administration
- Regulator Actions

Key themes on control issues found during the year 2022/23 were:

<b>Financial Control – Commitments and Payment Processes</b>	
Issues around Service teams not adopting commitment accounting, possibly due to lack of resource, reluctance or a lack of understanding about the process and/or why it is required. Audits where this was specifically identified are outlined below:	
<b>Disabled Facilities Grant:</b> The team was adopting a process of recording costs relating to individual grant expenditure on a spreadsheet and notifying Finance in monthly meetings, rather than posting commitments to Business World at the time that it a quotation for works was identified/approved.	<b>Impact</b> – this individual grant was ring-fenced, but a proportion of the grant allocation could still be used for other funding streams allowable under the grant terms and conditions, aside from Disabled Facilities Grant payments. Thus, without commitment accounting, there was a risk of a budget shortfall for such works.
<b>Biodiversity Net Gain Grant</b> – this grant could not be signed off within the required timescale, owing to the client team not having committed their expenditure against the grant on Business World. We identified a lack of understanding of the requirement to post committed costs on Business World when it was identified, thus leaving no evidence of this for Finance or ourselves for the purpose of carrying out the audit.	<b>Impact</b> – <i>proposed grant expenditure that is not clearly committed on Business World can cause issues for Finance in terms of inaccurate carry forward figures where a grant can be spent across two financial years. In addition, grant expenditure that is not committed on Business World cannot be included as legitimate spend for the purpose of sign-off of grant expenditure by Internal Audit. Hence, the Council is at risk of losing out on funding.</i>
<b>Housing Solutions Financial Processes</b> – lack of commitment accounting around one spending stream (maintenance charges for temporary accommodation).	<b>Impact</b> – the maintenance charge sums incurred at the end of a tenancy would always occur, but as there was no budget allocation or commitment on Business



## Executive Summary

	World for these, there was a risk of a budget shortfall for the service
<b>Payment Authorisation Outside of Financial Management System</b> – The interim Head of Corporate Finance and Deputy Section 151 raised concerns with SWAP Internal Audit about the lack of evidence of controls for her to approve payment made outside of Business World. The specific concern was the lack of documentation to provide assurance that the originator and approver had undertaken checks and validation of payments prior to submission to her. The Interim Deputy 151 Officer was receiving an email approval payment request without evidence of appropriate checks. Although a number of Service areas were identified where this was an issue, the full extent was not verified. Services included foster carers' payments, foster placements and respite care.	<b>Impact-</b> The Briefing Paper concluded that the Council needed to consider whether these payments can be approved from within the financial management system to reduce the risk of errors, omissions, or fraud.
<b>Actions:</b>  Swap to deliver awareness training about the importance of financial and administrative control by Services when delivering grants.  A task group was set up to further investigate the foster carers' payments, while a number of other considerations were also put forward. The Chief Finance Officer also requested that SWAP Audit review the proposed new processes, and at a later date when embedded, complete a further audit. That review is currently ongoing.	

## Executive Summary

These are areas of concern but do not represent high corporate risks i.e., failure to deliver the Council corporate objectives.



### Annual Opinion – Control Themes

#### **Grant Administration:**

There was lack of knowledge of administration requirements and/or inconsistent financial processes. Specific audits where this was identified are show below:

**Homelessness Prevention Grant** – concerns around financial administration processes including accounting structures, ineligible transactions, segregation of duties and the payment authorisation process. A review led to an agreement with the Director: Community Wellbeing for SWAP Internal Audit to carry out the Housing Solutions Financial Processes audit which we have completed; this gave a limited assurance opinion.

**Universal Funding: Drug Awareness Grant and Adult Weight Management Grant** – there was a lack of knowledge within the Public Health Team over the requirements for administration of grant funding, in terms of:

- maintaining clear records relating to services provided by third party organisations;
- end of year financial reconciliations where grants were carried forward from one financial year to the next;
- retention of journal request documentation, particularly around legitimate staffing costs.

**Adult Social Care Infection Control and Testing Fund (Round 4)** – governance weaknesses were identified around a lack of approval documentation for discretionary payments and adherence to grant timeframes, lack of segregation of financial duties, and a lack of retained evidence, specifically relating to interim reports that were required to be submitted to the funding body.

**Biodiversity Net Gain Grant** – there was a lack of both committed expenditure and supporting evidence for planned expenditure, which prevented sign-off of the grant by the due deadline.

**Impact** – Proposed grant expenditure that is not clearly committed on Business World or supported by adequate documentary evidence may not be eligible for inclusion in a grant claim, thus the Council may lose out on grant funding or must repay grant funding. Also, the Council may not maximise the potential benefits of the funding available for the benefit of residents.

#### **Actions:**

Owing to issues identified on two grants in the Public Health Directorate, SWAP Internal Audit Services has met with team members to deliver some training as to requirements for grant administration. Staff within the Service now have a better understanding of requirements. We are currently in consultation with the S151 and Deputy S151 Officers and the Corporate Grants Team as to how we can support provision of further guidance/training across other directorates where lack of financial knowledge around administration of grant funding has been identified as an issue.



## Executive Summary

These are areas of concern but do not represent high corporate risks i.e., failure to deliver the Council corporate objectives.



### Annual Opinion

#### **Oversight and Implementation of Regulator Actions**

The Council does not have a corporate process for monitoring, reviewing and reporting on internal review and external reports, as is required for internal audit reports. The audit review that highlighted this is outlined below:

#### **Registration Services**

The General Register Office (G.R.O.) had notified the Registration Service of serious outstanding issues identified during their January 2022 inspection; they detailed these in their Stock and Security Assurance: February 2022 report. The Council had received a warning from the G.R.O. stating the requirement for immediate improvements to be made to the Service, owing to the lack of a response to their February 2022 recommendations.

Internal audit undertook a review that found significant concerns on:

- Security and Access
- Failure to address previously identified issues made by other regulators
- Stock Control & Record keeping

The review found that there was no effective corporate oversight over all inspection reports. Had this been in place, the issues identified in the Registration Service internal review report would have been tracked and addressed, which would have mitigated the control weakness at the earliest opportunity.

**Impact:** Failure to have oversight over the actions from regulators reviews could increase the likelihood of fraud and error or impact on the delivery of council services.

**Action:** Internal Audit will look to promote assurance mapping across the Council. SWAP is currently engaging with the Council's performance Team to support the real time tracking of known actions through its audit management system.

## Executive Summary

Internal Audit had reasonable coverage of Corporate Risk throughout the 2022/3 financial year.

The 2023/24 agile audit plan is aligned to the latest corporate and directorate risks.



### Audit Coverage of Key risks

**There has been “Good” or “Some” audit coverage on 6 out of 8 strategic risks identified by the Council.**

The coverage map presented to Governance and Audit Committee throughout the year demonstrates that there is a strong linkage between risk and internal audit work.

The risk management process has been revised throughout the year with amended strategic risks. This coverage will become more embedded as integrated risk management further matures across the Council.

### Other Areas of Assurance

Internal Audit are aware of external inspection reports on

- Audit of Accounts and pension Fund 2021/2
- AGS- Annual Governance Statement 2021/2 and Draft AGS 2022/23
- Ofsted -Inspection of Herefordshire local authority children’s services
- Anti-Fraud, Corruption & Bribery Annual Report 2022

Internal Audit has active participation in the Children’s Services Taskforce whose remit is to address concerns raised in the inspection report.



### Areas of Additional Assurance

#### Oversight by other Assurance Providers

The assurance model is defined on page 2 of this report.

It is appropriate to draw upon evidence provided from the Council’s second line including:

- Governance -Senior Corporate Leadership Team (CLT) , Cabinet and Committees (including Scrutiny)
- Risk Management (strategic/ service/ project and also in resilience planning and management)
- Performance Management and Business Planning

Key third line assurances relevant to 2022/23 include those areas where external bodies have reported serious concerns about the operation and management of Children’s Services. Children’s Services are subject to significant governance and reporting structures which provide a comprehensive trail (and narrative) to support the assurance landscape.

SWAP is not aware of any significant and material corporate risks arising from the work of these assurance functions that would impact on the internal audit opinion. SWAP Internal Audit Services have also noted the significant findings from the assurance providers reports and will be working with Herefordshire Council to ensure sufficient coverage in these areas in the subsequent financial year where appropriate.

## Executive Summary

### Fraud and Risk

Internal Audit facilitated a fraud risk self-assessment exercise in 2021/22 to enable the work programme to be focused on several higher risk areas during the year. A further refresh by SWAP together with Council Officers in 2022/23 has guided the future work programme.

The Council's Counter Fraud Team have extended and further improved the fraud risk assessment for 2022/23.

There has been good coordination between Internal Audit and Counter Fraud Team in 2023.

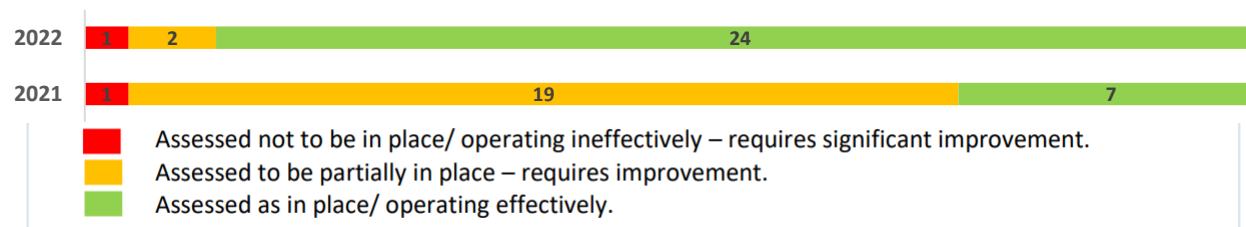
SWAP will work with the Council to implement the outstanding actions of the Fraud baseline maturity assessment.



### Fraud Risk Assessment and Risk Management

#### Counter Fraud

An initial fraud maturity baseline review was undertaken in 2020-21 by SWAP that has been subject to a follow up review in 2022/23. The baseline assessment provides the organisation with a corporate view of the organisation's fraud maturity, in line with the Fighting Fraud and Corruption Locally Strategy 2020. SWAP is pleased to report excellent progress has been made since the first review (2021) and this is shown in the chart below. In the latest 2022 assessment (April 2022), the fully compliant areas increased from 7 to 24. The remaining 3 outstanding actions have either been implemented or are on the way to implementation post the follow up exercise and will be reflected in the next baseline assessment.



#### Risk Management

The Council recognised that its approach to risk needed to be more strategic and more consistent to be sure that the council's leadership was directing attention and council resources to where they will have the most impact. The Chief Executive and CLT are leading a major transformation programme and as part of this process will ensure that excellent risk management is a visible priority for the whole organisation.

The Council has already taken steps throughout 2022/23 toward a more strategic approach and a more visible corporate grip on risk.

## Executive Summary

### Control and Mitigating Risk

Generally, the Council implement the actions arising from internal audit reports.

However, a significant number of long-standing recommendations were outstanding in September 2022 and some priority 2 action remained outstanding from follow-up audits.

The Committee should look to seek assurance that risks are being successfully mitigated in the next action tracking report by the performance Team.

Internal Audit are in dialogue with the Performance Team to support real-time action tracking using a SWAP Audit Management System. The results can be shared with Members using a dynamic dashboard.



### Implementation of Agreed Actions

The Council's Corporate Performance team report periodically to the Audit and Governance Committee with an update about the agreed actions from the audit work completed. The last update in November 2022 provided the following information.

IA Action – Pre-March 22		
Complete	5	19%
Outstanding	22	81%

IA Actions – April to September 2022		
Complete	22	73%
Outstanding	8	27%

In addition to this SWAP Internal Audit Services carry out follow-up work on audits which have an opinion of limited assurance and will consider previously agreed actions as part of all audit work completed.

Audit Name	Status	Outcome	Mitigated Risk
Payroll	Complete	1 x Priority 2 outstanding	Most High Priority Actions remediated - Some risk
Pool Cars	Complete	2 x Priority 2 outstanding	Most High Priority Actions remediated – Some risk
Building Maintenance & Cleaning	Complete	1 x Priority 2 outstanding	Most High Priority Actions remediated – Some risk

Generally, the follow up work and action tracking confirms the responsive nature of management at Herefordshire Council in implementing agreed actions to mitigate exposure to areas of significant risk. However, we have identified that there are long standing unresolved actions that may expose the Council to risk.

Over the year, the Internal Audit Team have found Senior Management of Herefordshire Council to be supportive of Internal Audit. In addition, there is a good relationship with Management where they feel they can approach the Internal Audit Team openly in areas where they perceive potential problems.

## Summary of Audit Work 2022/23

At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”

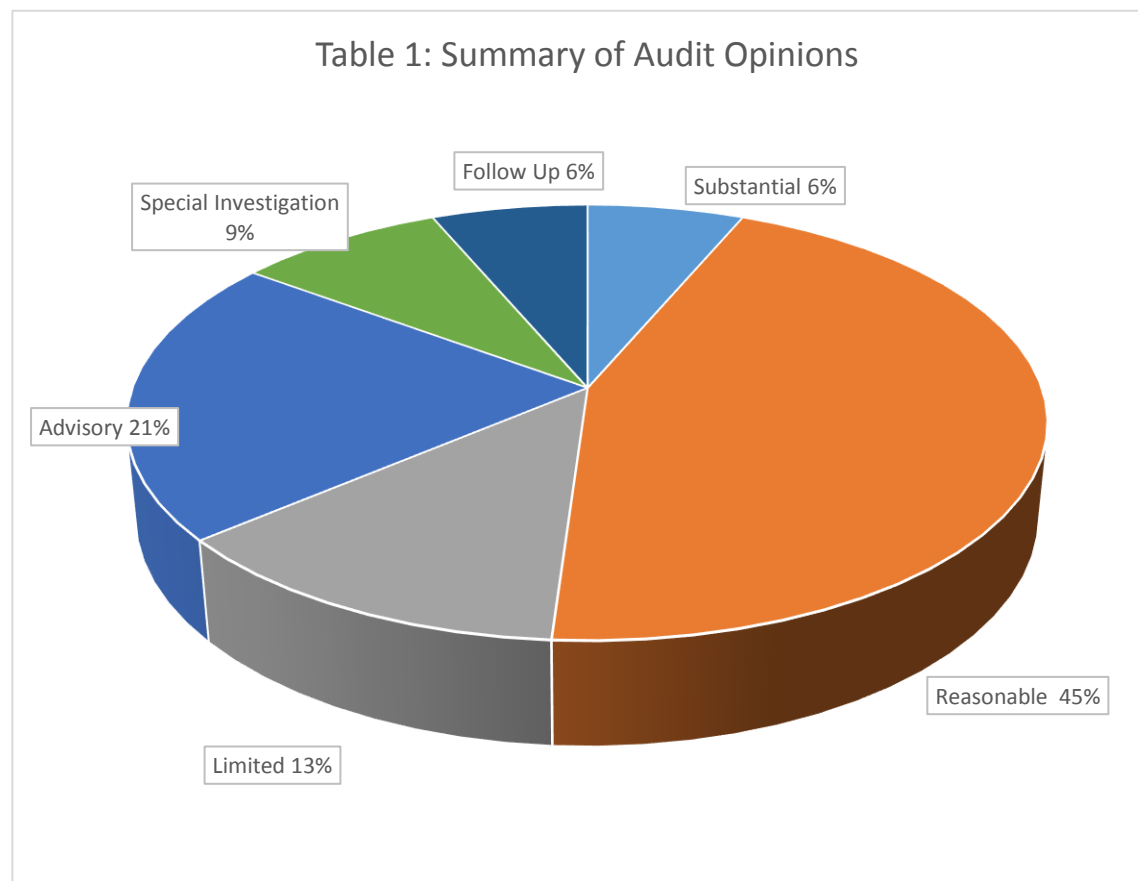
### Assurance Definitions

<b>No Assurance</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
<b>Limited</b>	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
<b>Reasonable</b>	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
<b>Substantial</b>	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.



### Summary of Audit Opinion

Table 1 below indicates the spread of assurance opinions across our work during the past year.



## Added Value

Extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something more while adding little or nothing to its cost.

SWAP has a dedicated data analytics Team that support internal audit work to increase coverage and make more insightful findings.

SWAP Dashboards will give real-time control and performance data in 2023/24.



## Added Value

Throughout the year, SWAP strives to add value wherever possible i.e., going beyond the standard expectations and providing something 'more' while adding little or nothing to the cost.

### **Benchmarking**

During the year we have provided benchmarking data across either the SWAP partnership or the wider reach of the Local Authority Chief Auditors Network (LACAN) for:

- School Thematic Review
- Direct Payments-Adults
- Adult Safeguarding pathway
- Delegated Decisions

### **Innovations and Enhancements to our Audit Process**

We have seen the continued use and embedding of the innovations and enhancements we made during the 2022/23 financial year including:

- The move to a new audit management system during the year. The benefit of improved visibility and agility of a real time system that will be granted to the Client in 23/24 through dashboards.



Internal audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS).



### SWAP Performance

SWAP's performance is subject to regular monitoring and review by both the SWAP Board of Directors and the Owners Board. The respective outturn performance results for Herefordshire Council for the 2022/23 year are as follows:

Performance Target	Average Performance
<b><u>Customer Satisfaction Questionnaire</u></b>	
Feedback 95%	100%

SWAP work is completed to comply with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Under these standards we are required to be independently externally assessed at least every five years to confirm compliance to the required standards. SWAP was recently assessed in February 2020 and confirmed that we are in conformance to PSIAS.

Attribute Standard 1300 of the IPPF requires Heads of Internal Audit to develop and maintain a Quality Assurance and Improvement Programme (QA&IP). Standard 1310 continues this dual aspect by stating that the programme must include both internal and external assessments. This acknowledges that high standards can be delivered by managers, but it also implies that improvements can be further developed when benchmarking is obtained from outside the organisation and the internal audit function. Following our External Assessment, we have pulled together our QA&IP and included additional improvements and developments identified internally that we want to make, as aligned to SWAP's Business Plan. The QA&IP is a live document and will be regularly reviewed by the SWAP Board to ensure continuous improvement and delivery on our actions.

# Executive Summary

Table of Audits by Status									
Date on Pipeline	Audit	Directorate	Corporate Risk / Reason for inclusion in Plan / Brief outline of scope	Status	Opinion	No of Recs	Agreed Actions P1= Fundamental P2= Important P3 = Useful		
							1	2	3
21/22	School Governance- Thematic Review	Children & Young People	Review the effectiveness of governance arrangements in schools	Complete	Advisory	0	0	0	0
21/22	Local Authority Covid 19 Test and Trace Contain Outbreak Management Fund Grant 2021/22: No 31/5518	Public Health	To provide assurance that the conditions of the Local Authority Community Testing Funding Grant are applied	Complete	Reasonable	0	0	0	0
Q1 20/21	Local Authority Test and Trace Support Payment Scheme Funding Grant Determination 2020/21: No:31/5789 - October, November, and December	Resources & Assurance	To provide assurance that the conditions of the Local Authority Support Payment Grant are applied	Complete	Reasonable	0	0	0	0
Q1 21/22	Local Authority Test and Trace Support Payment Scheme Funding Grant 2020/21: No:31/5789 (January, February, March)	Resources & Assurance	To provide assurance that the conditions of the Local Authority Community Testing Funding Grant are applied	Complete	Reasonable	0	0	0	0
Q1 21/22	Local Authority Community Testing Funding Grant Determination 2020/21: Nos 31/6054, 31/6097	Resources & Assurance	To provide assurance that the conditions of the Local Authority Community Testing Funding Grant Determination 2020/21: Nos 31/6054, 31/6097, and 31/6147 are adhered to and that all expenditure claimed is eligible within the scheme.	Complete	Reasonable	0	0	0	0
21/22	Protect and Vaccinate Grant Determination 2021/2022 No 31/5912	Community Wellbeing	To provide assurance that the terms of the Protect & Vaccinate Grant Determination (2021/22) (No.31/5912) have been adhered to.	Complete	Reasonable	0	0	0	0
21/22	Property Flood Resilience Support Scheme (Bellwin/ Resilience Management) - Quarter 1	Economy & Environment	To provide assurance that Herefordshire Council has complied with DEFRA Property Flood Resilience Recovery Support Scheme (2020) Local Authority Guidance April 2020, in the authorisation of owner's expenditure on their property.	Complete	Substantial	0	0	0	0

## Executive Summary

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							1	2	3
21/22	Property Flood Resilience Support Scheme (Bellwin/ Resilience Management) Quarter 2	Economy & Environment	Grant Certification (Quarterly Review with End of Scheme Report).	Complete	Substantial	0	0	0	0
Q2 22/23	Payment Authorisation outside of Financial Management System	Resources & Assurance	The Interim Head of Corporate Finance (Deputy 151 Officer) requested that SWAP Internal Audit Services verify the controls in place within service areas, for requests received for payment approval outside of the financial management system (Business World).	Complete	Advisory	0	0	0	0
Q1 22/23	Supporting Families – Quarter 1 22/23	Children & Young People	Grant Certification (Monthly Review with Quarterly Report)	Complete	Reasonable	0	0	0	0
Q1 22/23	Homelessness Prevention Grant (HPG) (2021/22) [No. 31/5546] & [No. 31/5863]	Community Wellbeing	To ensure that grant funding spend has been accordance with the grant terms and conditions.	Complete	Limited	0	0	0	0
For 22/23	S106 Holmer Road - Special Review	Economy & Environment	SWAP Internal Audit Services was commissioned by the Chief Finance Officer to complete a special review in relation to concerns raised by the Chief Executive regarding how the decision was made that there is no legal basis for the council to request the payment of part of the section 106 Transport Contribution assigned to the Holmer West Link.	Complete	Special Investigation	1	0	0	1
21/22	Fraud Risk Assessment	Resources & Assurance	Ongoing advisory work to update and maintain the Fraud Risk Assessment	Complete	Advisory	0	0	0	0
21/22	Court of Protection – Special Review Phase 1	Community Wellbeing	Restricted Disclosure - Authorised by S151 officer. Will be reported to Committee when appropriate.	Complete	Special Investigation	16	0	14	2

## Executive Summary

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							1	2	3
For 22/23	Local Transport Capital Block Funding (Integrated Transport and Highway Maintenance Blocks) Specific Grant (2021/22): and Pothole Fund Specific Grant (2021/22): No.31/5506	Economy & Environment	To ensure that grant funding spend for 2021/22 has been accordance with the grant terms and conditions.	Complete	Reasonable	0	0	0	0
For 22/23	Bus Subsidy Ring-Fenced (Revenue) Grant 2021/22	Economy & Environment	To ensure that grant funding spend for 2021/22 has been accordance with the grant terms and conditions.	Complete	Reasonable	0	0	0	0
For 22/23	Supporting Families – Quarter 2	Children & Young People	Grant Certification (Monthly Review with Quarterly Report)	Complete	Reasonable	0	0	0	0
For 22/23	Public Health Grant Process	Public Health	Request of Chief Finance Officer to provide assurance that funding has been spent and achieved intended objectives/outcomes.	Complete	Limited	10	0	5	5
For 22/23	Baseline Assessment for the Maturity of Fraud – 2 <sup>nd</sup> Phase	Resources & Assurance	Follow up of baseline assessment to demonstrate progress in fraud maturity.	Complete	Advisory	0	0	0	0
21/22	Court of Protection- Additional Work Phase 2	Community Wellbeing	Restricted-Additional request for work from the CFO. Will be reported to Committee when Appropriate.	Complete	Special Investigation	n/a	n/a	n/a	n/a
Q2 22/23	Drug Treatment: Universal Grant Funding (31/5494)	Public Health	SWAP was informed on 26/8/22 that this grant funding required CIA sign off. Funding of £220, 000 had been provided by PHE.	Complete	Limited	0	0	0	0
21/22	Payroll Follow Up	Resources & Assurance	To provide assurance agreed actions have been implemented.	Complete	Non-Opinion	1	0	1	0

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							1	2	3
For 22/23	Disabled Facilities Grant	Community Wellbeing	Section 31 Grant Certification requiring C.I.A. sign off	Complete	Reasonable	0	0	0	0
Q3 22/23	Whistleblowing - Complaint	Children & Young People	Initial review of allegation requested by Director: Resources & Assurance, in order to establish whether there is possible fraudulent activity, and hence the requirement for a fraud investigation.	Complete	Advisory	0	0	0	0
21/22	Infection Control and Testing	Community Wellbeing	Assurance that the grant monies have been spent correctly and achieved desired outcomes (note: not grant certification work).	Complete	Reasonable	4	0	1	3
21/22	Direct Payments	Community Wellbeing	To provide assurance that the Council has processes and procedures in place to appropriately deal with potential fraud or mis use of direct payment funds via direct payment cards and that supporting processes and procedures are in place across adult social care teams to assist in identifying and dealing with fraud.	Complete	Reasonable	6	0	0	6
Q3 22/23	Supporting Families – Quarter 3	Children & Young People	Grant Certification (Monthly Review with Quarterly Report)	Complete	Reasonable	1	0	0	1
Q3 21/22 (req'd for Jan 23)	Adult Weight Management Services Grant	Public Health	This grant requires Chief Internal Auditor sign off by the end of January 2023. Notified December '22.	Complete	Reasonable	0	0	0	0
For 22/23	Technology Framework Review	Corporate (ICT)	Identified as an area for further work via the Cyber Security Framework audit.	Complete	Advisory	0	0	0	0
Q2 22/23	Registration Service	Governance & Law	Financial and procedural review of registration of Births, Deaths, and Marriages	Complete	Limited	11	3	7	1
22/23	Court of Protection- Special Investigation -Phase 3	Community Wellbeing	Restricted-Additional request for work from the CFO. Will be reported to Committee when Appropriate.	In progress	Special Investigation	n/a	n/a	n/a	n/a

# Executive Summary

Table of Audits by Status									
Date on Pipeline	Audit	Directorate	Corporate Risk / Reason for inclusion in Plan / Brief outline of scope	Status	Opinion	No of Recs	Agreed Actions P1= Fundamental P2= Important P3 = Useful		
							1	2	3
Q2 22/23	Housing Solutions Team Financial Processes	Community Wellbeing	New area following concerns raised during grant certification process about admin and financial processes	Complete	Limited	10	0	6	4
Q2 21/22	Green Homes Grant Phase 2	Economy & Environment	Section 31 Grant Certification requiring C.I.A. sign off	Complete	Reasonable	0	0	0	0
Q4 21/22 FOR 22/23	NNDR	Resources & Assurance	Key Financial Controls. Liability and Billing including discounts and exemptions.	Complete	Reasonable	4	0	0	4
Q4 21/22 FOR 22/23	Treasury Management	Resources & Assurance	Key Financial Controls - Full Audit	Complete	Substantial	2	0	0	2
Q2 21/22	Green Homes Grant – Phase 1	Economy & Environment	To ensure that grant funding spend has been in accordance with the grant terms and conditions. This grant is with Legal and a further inspection regime is being undertaken.	Complete	Reasonable	0	0	0	0
Q4 21/22 (req'd. for Q4 22/23)	Pool Cars Follow Up	Economy & Environment	Provide assurance previously agreed actions in the limited assurance report have been completed. Data analysis of usage to be completed if data allows.	Complete	Non-Opinion	3	0	2	1
For 22/23	Building Maintenance and Cleaning Agreement Follow Up	Economy & Environment	Provide assurance previously agreed actions in the limited assurance report have been completed.	Complete	Non-Opinion	1	0	1	0
Q4 21/22 (req'd. for Q4 22/23)	Supporting Families – Quarter 4	Children & Young People	Grant Certification (Monthly Review with Quarterly Report)	Complete	Reasonable	0	0	0	0
Q4 21/22 FOR 22/23	Main Accounting System	Resources & Assurance	Key Financial Controls	Complete	Reasonable	1	0	1	0
Q3 22/23	Disabled Facilities Grant Process	Community Wellbeing	Required to provide assurance around the processes for administration of the Disabled Facilities Grant.	Complete	Reasonable	13	0	5	8



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							1	2	3
21/22	Leavers Process	Corporate	Provide assurance control framework operating effectively between service areas, HR and IT. Ensuring Councils assets are protected.	Complete	Limited	16	0	10	6
Q2 22/23	Grant Administration – Working Group	Corporate	Support grant administration and control arrangements to be more efficient and effective.	Complete	Advisory	0	0	0	0
Q3 22/23	Supporting Families - DLUHC / HC Consultation Process	Children & Young People	Meetings with the DLUHC National Lead for Supporting Families, with regard to the updated SF Programme that has just been introduced. Involvement had been requested by SF Team & DLUHC, to ensure adequate audit coverage of the programme, and to discuss amount of audit coverage required for 23/24 to provide assurance as to compliance with programme t&cs.	Complete	Advisory	0	0	0	0
22/23	Payment System- Childrens Services Taskforce	Resources & Assurance	Following on from the advisory work completed at the beginning of the year assurance that implemented control frameworks are operating effectively.	Complete	Advisory	0	0	0	0
Q4 22/23	Biodiversity Net Gain Grant	Economy & Environment	Grant certification to enable approval of central government fun	Closed	Reasonable	0	0	0	0
Q1 22/23	Data Quality/Data Management	Corporate	Response from CLT to thematic issue raised in Internal Audit Progress Reports 2021/22.	Complete	Advisory	0	0	0	0